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CALIFORNIA BOARD
OF ACCOUNTANCY

8
9 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**

11
12 **In the Matter of the Accusation Against:**

13 **SUSAN FRANCES HURRELL**
14 **61 Moraga Way, Suite 4**
Orinda, CA 94563,

15 **Certified Public Accountant**
16 **Certificate No. 25339,**

17 Respondent.

Case No. AC-2003-36

OAH No. [unassigned]

**STIPULATED SETTLEMENT
AND DISCIPLINARY ORDER**

18
19 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the
20 above-entitled proceedings that the following matters are true:

21 **PARTIES AND JURISDICTION**

22 1. Carol Sigmann, the Complainant herein, is the Executive Officer of the California
23 Board of Accountancy. She brought this action solely in her official capacity and is represented
24 in this matter by Bill Lockyer, Attorney General of the State of California, by Jeanne C. Werner,
25 Deputy Attorney General.

26 2. Susan Frances Hurrell, the Respondent herein, is representing herself in this
27 proceeding and has chosen not to exercise her right to be represented by counsel.

28 ///

1 3. Accusation No. AC-2003-36 was filed before the California Board of
2 Accountancy (Board), Department of Consumer Affairs, and is currently pending against
3 Respondent. The Accusation and all other statutorily required documents were properly served
4 on Respondent on October 27, 2003. Respondent timely filed her Notice of Defense contesting
5 the Accusation. A copy of Accusation No. AC-2003-36 is attached as Exhibit A and
6 incorporated herein by reference.

7 4. On or about December 2, 1977, the California Board of Accountancy issued
8 Certified Public Accountant Certificate No. 25339 to Respondent Susan Frances Hurrell. As
9 relevant to the charges in Accusation No. AC-2003-36, the Certificate was expired and not valid
10 for practice from January 1, 2001 through October 8, 2001, and was renewed in an "inactive"
11 status from October 9, 2001 through December 31, 2002. The Certificate is currently renewed in
12 an "active" status from January 1, 2003 through December 31, 2004.

13 **ADVISEMENT, WAIVERS AND CONTINGENCY**

14 5. Respondent has carefully read, and understands the charges and allegations in
15 Accusation No. AC-2003-36. Respondent has also carefully read, and understands the effects of
16 this Stipulated Settlement and Disciplinary Order.

17 6. Respondent is fully aware of her legal rights in this matter, including the right to a
18 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
19 her own expense; the right to confront and cross-examine the witnesses against her; the right to
20 present evidence and to testify on her own behalf; the right to the issuance of subpoenas to
21 compel the attendance of witnesses and the production of documents; the right to reconsideration
22 and court review of an adverse decision; and all other rights accorded by the California
23 Administrative Procedure Act and other applicable laws.

24 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each
25 and every right set forth above.

26 8. This stipulation shall be subject to approval by the California Board of
27 Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of
28 the California Board of Accountancy may communicate directly with the Board regarding this

1 stipulation and settlement, without notice to or participation by Respondent. By signing the
2 stipulation, Respondent understands and agrees that she may not withdraw her agreement or seek
3 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
4 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
5 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
6 action between the parties, and the Board shall not be disqualified from further action by having
7 considered this matter.

8 9. The parties understand and agree that facsimile copies of this Stipulated
9 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
10 force and effect as the originals.

ADMISSIONS

10. Respondent admits the truth of each and every charge and allegation in
Accusation No. AC-2003-36. The admissions made by Respondent herein are only for the
purposes of this proceeding, or any other proceedings in which the California Board of
Accountancy or other professional licensing agency is involved, and shall not be admissible in
any other criminal or civil proceeding.

17 11. Respondent agrees that her Certified Public Accountant Certificate is subject to
18 discipline and she agrees to be bound by the Board's imposition of discipline as set forth in the
19 Disciplinary Order below.

12. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 25339 issued to Respondent Susan Frances Hurrell is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

1. **Comply With Probation.** Respondent shall fully comply with the terms and conditions of the probation imposed by the Board and shall cooperate fully with representatives

1 of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance
2 with probation terms and conditions.

3 2. **Active License Status.** During probation, Respondent shall at all times maintain
4 an active license status with the Board, including during any period of suspension. If the license
5 is expired at the time the Board's decision becomes effective, the license must be renewed within
6 30 days of the effective date of the decision

7 3. **Continuing Education Courses.** Respondent shall complete, and provide proper
8 documentation for having completed, fifty-five (55) hours of designated continuing professional
9 education courses. Twenty-four (24) of the fifty-five hours shall be in the area of auditing and
10 accounting. This continuing education requirement shall be in addition to continuing education
11 requirements for her anticipated December 31, 2004, license renewal. The professional
12 education courses will be specified by the Board or its designee at or about the time of
13 Respondent's first probation appearance. All specifics provided by the Board or its designee
14 regarding the specified continuing professional education shall be incorporated as a condition of
15 this probation.

16 4. **Cost Reimbursement.** Respondent shall reimburse the Board \$5,549.67 for its
17 investigation and prosecution costs. The payment shall be made within 30 days of the effective
18 date of the Board's decision.

19 5. **Obey All Laws.** Respondent shall obey all federal, California, other states' and
20 local laws, including those rules relating to the practice of public accountancy in California.

21 6. **Submit Written Reports.** Respondent shall submit, within ten (10) days of
22 completion of the quarter, written reports to the Board on a form obtained from the Board. The
23 Respondent shall submit, under penalty of perjury, such other written reports, declarations, and
24 verification of actions as are required. These declarations shall contain statements relative to
25 Respondent's compliance with all the terms and conditions of probation. Respondent shall
26 immediately execute all release of information forms as may be required by the Board or its
27 representatives.

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1 7. **Personal Appearances.** Respondent shall, during the period of probation, appear
2 in person at interviews/meetings as directed by the Board or its designated representatives,
3 provided such notification is accomplished in a timely manner.

4 8. **Practice Investigation.** Respondent shall be subject to, and shall permit, practice
5 investigation of the Respondent's professional practice. Such a practice investigation shall be
6 conducted by representatives of the Board, provided notification of such review is accomplished
7 in a timely manner.

8 9. **Comply With Citations.** Respondent shall comply with all final orders resulting
9 from citations issued by the Board of Accountancy.

10 10. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
11 Respondent should leave California to reside or practice outside this state, Respondent must
12 notify the Board in writing of the dates of departure and return. Periods of non-California
13 residency or practice outside the state shall not apply to reduction of the probationary period, or
14 of any suspension. No obligation imposed herein, including requirements to file written reports,
15 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
16 affected by such periods of out-of-state residency or practice except at the written direction of the
17 Board.

18 11. **Violation of Probation.** If Respondent violates probation in any respect, the
19 Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and
20 carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation
21 is filed against Respondent during probation, the Board shall have continuing jurisdiction until
22 the matter is final, and the period of probation shall be extended until the matter is final.

23 12. **Completion of Probation.** Upon successful completion of probation,
24 Respondent's license will be fully restored.

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1 ACCEPTANCE

2 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand
3 the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter
4 into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently,
5 and agree to be bound by the Decision and Order of the California Board of Accountancy.

6 DATED: December 18, 2003.

7
8 SF/Hurrell
9 SUSAN FRANCES HURRELL
Respondent

10 ENDORSEMENT

11
12 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
13 submitted for consideration by the California Board of Accountancy of the Department of
14 Consumer Affairs.

15 DATED: December 22, 2003

16 BILL LOCKYER, Attorney General
of the State of California

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18 Jeanne C. Werner
19 JEANNE C. WERNER
20 Deputy Attorney General
21 Attorneys for Complainant
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Exhibit A
Accusation No. AC-2003-36

1 BILL LOCKYER, Attorney General
of the State of California
2 JEANNE C. WERNER, State Bar No. 93170
Deputy Attorney General
3 California Department of Justice
1515 Clay Street, 20th Floor
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Oakland, CA 94612-0550
5 Telephone: (510) 622-2226
Facsimile: (510) 622-2121
6
7 Attorneys for Complainant
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10 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
11 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA
12

13 In the Matter of the Accusation Against:

Case No. AC-2003-36

14 SUSAN FRANCES HURRELL
61 Moraga Way, Suite 4
15 Orinda, CA 94563

ACCUSATION

16 Certified Public Accountant
Certificate No. 25339,

17 Respondent.
18

19 Complainant alleges:

20 **PARTIES AND JURISDICTION**

21 1. Carol Sigmann, Complainant herein, brings this Accusation before the California
22 Board of Accountancy (hereinafter Board), Department of Consumer Affairs, under the authority
23 of Section 5100 of the Business and Professions Code, solely in her official capacity as the
24 Executive Officer of the Board.

25 2. On or about December 2, 1977, the California Board of Accountancy (Board)
26 issued Certified Public Accountant Certificate Number 25339 to Susan Frances Hurrell
27 (Respondent). The Certificate, now subject to renewal every two years (on January 1 of odd-
28 numbered years) pursuant to Code Section 5070.5, had been renewed, at some time on or before

1 March 1989¹, in an active² status until its expiration on December 31, 1990. Since that date, the
2 Board's records have reflected the status of the certificate to be renewed in an "active" status
3 (requiring compliance with continuing education requirements)³, until January 1, 2001. The
4 license status thereafter is set forth below;

5 A. Expired and not valid for practice from January 1, 2001 through October 8, 2001
6 (no renewal fee and no declaration of compliance with continuing education requirements);

7 B. Renewed in an "inactive" status from October 9, 2001 (upon receipt of renewal
8 fee; no declaration of compliance with continuing education requirements) through December
9 31, 2002;

10 C. Renewed in an "active" status from January 1, 2003 through December 31, 2004
11 (upon receipt of renewal fee and declaration of compliance with continuing education
12 requirements).

13 STATUTES

14 3. Disciplinary Authority/Unprofessional Conduct. This Accusation is brought
15 before the Board under the authority of Section 5100 of the Business and Professions Code,
16 which provides, in relevant part, that, after notice and hearing the Board may revoke, suspend or
17 refuse to renew any permit or certificate granted, or may censure the holder of that permit or
18 certificate, for unprofessional conduct which includes, but is not limited to, one or any
19 combination of the causes specified therein, including:

20 (c) Dishonesty...in the practice of public accountancy or in the performance of the
21 bookkeeping operations described in Section 5052.

22 (g) Willful violation of this chapter or any rule or regulation promulgated by the

23
24 1. The Board's records were transferred to the DCA's centralized computer system in
25 March 1989 and, as a result, the underlying documentation related to the license history is
unavailable prior to that date.

26 2. The renewal without required continuing education results in a current but "inactive"
27 license, which does not authorize the practice of public accountancy (Board Rule 80).

28 3. A brief exception to active licensure during this time occurred during the period January
1 to January 3, 1997.

1 board under the authority granted under this chapter.

2 4. Licensed Practice. As pertinent herein, Section 5050 requires that a person be
3 licensed by the Board in order to practice public accountancy in the State of California. Section
4 5051 states, in pertinent part, that a person shall be deemed to be engaged in the practice of
5 public accountancy if he or she does any of the following:

6 (a) Holds himself or herself out to the public in any manner as one skilled in the
7 knowledge, science, and practice of accounting, and as qualified and ready to render professional
8 service therein as a public accountant for compensation.

9 (b) Maintains an office for the transaction of business as a public accountant.

10 (c) Offers to prospective clients to perform for compensation, or who does
11 perform on behalf of clients for compensation, professional services that involve or require an
12 audit, examination, verification, investigation, certification, presentation, or review of financial
13 transactions and accounting records.

14 (f) Keeps books, makes trial balances, or prepares statements, makes audits, or
15 prepares reports, all as a part of bookkeeping operations for clients.

16 (g) Prepares or signs, as the tax preparer, tax returns for clients.

17 (h) Prepares personal financial or investment plans or provides to clients products
18 or services of others in implementation of personal financial or investment plans.

19 (i) Provides management consulting services to clients.

20 5. Cost Recovery. Code Section 5107 authorizes the Board's recovery of certain
21 costs which result from the investigation and prosecution of specified violations of the
22 Accountancy Act.

23 FIRST CAUSE FOR DISCIPLINE
24 (Practice of Public Accountancy Without a Valid License: 2001-2002)
(Bus. & Prof. Code §§ 5100(g), 5050))

25 6. On or about December 31, 2000, Respondent's CPA certificate expired due to the
26 failure to pay required fees and provide proof of compliance with continuing education
27 requirements. The certificate remained in said expired status until October 9, 2001, when
28

1 Respondent renewed her license in the "inactive" (not valid for practice) category.⁴

2 Throughout this two-year period (January 1, 2001 through December 31, 2002), Respondent
3 continued to practice, without an active license, serving clients known to Respondent but
4 unknown to Complainant. Respondent describes her unlicensed practice as follows:

5 A. Calendar Year 2001: Total billings of \$146,974, with billings of \$100,300 for tax
6 preparation; \$31,610 for bookkeeping, payroll tax returns, and compilations; and \$15,064 for tax
7 advice and business advice.

8 B. Calendar Year 2002: Total billings of \$153,924, with billings of \$107,775 for tax
9 preparation; \$32,003 for bookkeeping, payroll tax returns, and compilations; and \$14,146 for tax
10 advice and business advice.

11 C. During the relevant time period, Respondent prepared approximately two hundred
12 twenty-five (225) tax returns ("1040's") a year. Individual tax returns represented approximately
13 85% of her tax practice.

14 7. Respondent's conduct as set forth in paragraph 6, above, constitutes the
15 unlicensed practice of public accountancy (while her license was in either a delinquent or
16 inactive status) in violation of Code Section 5050 and therefore unprofessional conduct within
17 the meaning of Code Section 5100(g).

18
19 SECOND CAUSE FOR DISCIPLINE

20 (Dishonesty in the Practice of Public Accountancy)
21 (Bus. & Prof. Code §§ 5100(c))

22 8. Complainant realleges paragraph 6, above, and incorporates it by reference herein
23 as if set out in full at this point. From January 1, 2001 through December 31, 2002, Respondent
24 misrepresented herself to her clients as a CPA authorized to engage in the practice of public
25 accountancy, which was not true, and performed public accounting services when her license was
26

27 4. As set forth in paragraph 2, the certificate was subsequently renewed in an "active"
28 status for the period January 1, 2003 through December 31, 2004.

1 in an expired and/or inactive status.

2 9. Respondent's conduct as set forth in paragraph 8, above, constitutes dishonesty in
3 the practice of public accountancy within the meaning of Code Section 5100(c) in conjunction
4 with Code Sections 5050 and 5051, and therefore unprofessional conduct within the meaning of
5 Code Section 5100(c).

6
7 PRAYER

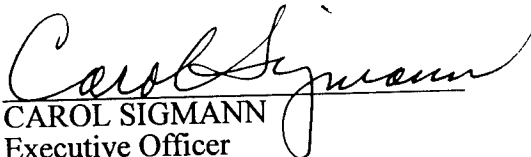
8 WHEREFORE, Complainant requests that a hearing be held on the matters herein
9 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

10 1. Revoking, suspending, or otherwise imposing discipline upon Certified
11 Public Accountant Certificate Number 25339, issued to Susan Frances Hurrell.

12 2. Ordering Susan Frances Hurrell to pay the California Board of
13 Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to
14 Business and Professions Code section 5107;

15 3. Taking such other and further action as deemed necessary and proper.

16 DATED: October 20, 2003.

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18 
19 CAROL SIGMANN
20 Executive Officer
21 California Board of Accountancy
22 Department of Consumer Affairs
23 State of California
24 Complainant

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**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

SUSAN FRANCES HURRELL
61 Moraga Way, Suite 4
Orinda, CA 94563

Certified Public Accountant Certificate No.
25339

Respondent.

Case No. AC-2003-36

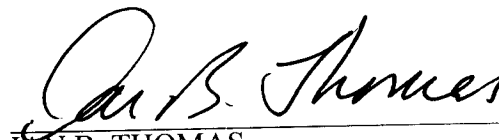
OAH No. unassigned

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on April 1, 2004.

It is so ORDERED March 2, 2004.



IAN B. THOMAS
President

FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS